



Consolidated Edison Company
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July 27, 2017

Honorable Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza, 19th Floor
Albany, New York 12223-1350

RE: Tariff Amendments Related to Electric Energy Storage Systems

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) is filing with the Public Service Commission (the “Commission”) amendments to its Schedule for Electricity Service, P.S.C. No. 10 – Electricity (the “Tariff”), applicable to its customers in the City of New York and the County of Westchester. The revised Tariff Leaves, which are identified below, are filed to become effective on December 1, 2017:

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding No.</u>
15	2	1
16	5	4
78	5	4
79	6	5
162	4	3
167	6	5
384	7	6
461	2	1
470	3	2

Reason for Filing

The Company proposes changes to the Tariff to enable electric energy storage systems to import from and export to the Company’s distribution system. The changes

specify the conditions under which such systems may export to the primary and secondary distribution systems under SC 11, permit such systems to self-supply or export for Non-Wires Alternative projects under special circumstances, expand availability of the “Customer With Designated Technologies” exemption from standby service rates from battery storage systems to electric energy storage systems, and modify the Standby Reliability Credit criteria to exclude “front of the meter” storage systems.

Proposed Tariff Changes

The definition “Electric Energy Storage” has been added to General Rule 2, “Definitions and Abbreviations of Terms Used in this Rate Schedule,” of the Tariff. Electric Energy Storage is defined as storage technologies that have the ability to store energy and discharge electricity. The definition is designed to be inclusive of a broad array of technologies, including batteries, flow batteries, fly wheels, and compressed air. In addition, the definition of “Output Meter” in General Rule 2 is amended to include the change from “battery storage facility” to “electric energy storage facility.”¹

General Rule 8.2, “Emergency Generating Facilities Used for Self-Supply,” of the Tariff permits the use of emergency generating equipment at the premises for self-supply under four conditions. The fourth condition is “at the direction of the Company when demand response events are called under the Brooklyn/Queens Demand Management (“BQDM”) Program.” The Company proposes to amend General Rule 8.2 to expand this condition to include all Non-Wires Alternative projects, which aligns with a similar amendment to General Rule 8.3 “Generating Facilities Used Under Special Circumstances for Export,” effective May 23, 2017, that followed the Commission’s Order Approving Subject to Modifications Tariff Amendment for Battery Discharge in Brooklyn/Queens Demand Management Program and Making Other Findings, issued and effective May 18, 2017 in Case 17-E-0104 (the “May 18, 2017 Order”).

General Rule 8.3 permits export to the Company’s primary distribution feeders on an emergency basis only: (1) when the generating equipment is operated at the direction of the New York Independent System Operator (“NYISO”) under Special Case Resources procedures or Emergency Demand Response Program procedures, or (2) at the direction of the Company under Rider O. The Company proposes to amend General Rule 8.3 by replacing “on an emergency basis” with “under special circumstances.” This change aligns with the May 18, 2017 Order, which resulted in General Rule 8.3 being renamed “Generating Facilities Used Under Special Circumstances for Export,” among other changes. The Company also proposes that, at the direction of the Company when demand response events are called under the Brooklyn/Queens Demand Management Program or another Non-Wires Alternative project, inverter-based electric energy storage

¹ The Company also proposes an accompanying change for Form G – “Application for Net Metering or Standby Service and/or Buy-Back Service.”

systems can safely export to both the primary and secondary distribution system, while non-inverter based electric energy storage systems may safely export to only the primary distribution system. Previously, export to secondary network systems had been prohibited for all types of on-site systems.

General Rule 20.3.2 “Customers With Designated Technologies” of the Tariff permits customers with Designated Technologies who would normally be billed under standby service rates to be billed under standard rates. The Company proposes to amend Definition (d) to change “battery storage” to the broader, more inclusive term “electric energy storage.”

Rule 20.5.4, under General Rule 20.5 “Delivery Charges under Standby Service Rates” of the Tariff, permits a Standby Reliability Credit under certain conditions. The Company proposes a change to exclude Customers with Electric Energy Storage systems with the primary purpose of exporting and not to off-set non-Electric Energy Storage system load and related support equipment. These Customers tend to have minimum load source and are sometimes referred to in the storage industry as “front of the meter energy storage systems” or “Grid-connected energy storage systems.” This exclusion accords with the Standby Reliability Credit’s intent to compensate customers who can offset their native load and reliably reduce grid dependence. It will also avoid any shifting of “Grid-connected energy storage system” customers’ delivery cost to other customers because these customers could avoid all delivery costs if the reliability credit were available to them.

Service Classification No. 11 “Buy-Back Service” of the Tariff permits the purchase of energy by the Company from an alternate energy production facility, which includes electric energy storage systems. The Company proposes to amend language in Service Classification No. 11 under the section “Applicable to Use for Service for,” to clarify that export of power on the secondary network will be permitted only for inverter-based electric energy storage systems. This amendment will enable eligible systems to export to the secondary network under this Service Classification, subject to the Company’s rights to limit their use as set forth in the Service Classification. Further, as discussed above, the Company proposes to eliminate language that restricts export on the secondary network for inverter-based electric energy storage systems in the “Interconnection and Operation” section. This change will also enable inverter-based electric energy storage systems paired with solar systems to export to the secondary network under Phase 1 of the Value of Distributed Energy Resources implementation.

Conclusion and Notice

The Company is filing these Tariff amendments to become effective on December 1, 2017. The Company will publish notice of the proposed changes on August 17, 24, and 31, and September 7, 2017.

Sincerely,

/s/ William A. Atzl, Jr.
Director
Rate Engineering Department